

REGULATIONS TO GOVERN PROSPECTING FOR AND MINING OF
METALLIFEROUS MINERALS ON UNALLOTTED LANDS OF IN-
DIAN RESERVATIONS.

Section 26 of the act of June 30, 1919 (41 S. 31), reads:

That the Secretary of the Interior be, and hereby is, authorized and empowered, under general regulations to be fixed by him and under such terms and conditions as he may prescribe, not inconsistent with the terms of this section, to lease to citizens of the United States or to any association of such persons or to any corporation organized under the laws of the United States or of any State or Territory thereof, any part of the unallotted lands within any Indian reservation within the States of Arizona, California, Idaho, Montana, Nevada, New Mexico, Oregon, Washington, or Wyoming, heretofore withdrawn from entry under the mining laws for the purpose of mining for deposits of gold, silver, copper, and other valuable metalliferous minerals,¹ which leases shall be irrevocable, except as herein provided, but which may be declared null and void upon breach of any of their terms.

That after the passage and approval of this section, unallotted lands, or such portion thereof as the Secretary of the Interior shall determine, within Indian reservations heretofore withheld from disposition under the mining laws may be declared by the Secretary of the Interior to be subject to exploration for the discovery of deposits of gold, silver, copper, and other valuable metalliferous minerals by citizens of the United States, and after such declaration mining claims may be located by such citizens in the same manner as mining claims are located under the mining laws of the United States: *Provided*, That the locators of all such mining claims, or their heirs, successors, or assigns, shall have a preference right to apply to the Secretary of the Interior for a lease, under the terms and conditions of this section, within one year after the date of the location of any mining claim, and any such locator who shall fail to apply for a lease within one year from the date of location² shall forfeit all rights to such mining claim: *Provided further*, That duplicate copies of the location notice shall be filed within³ sixty days with the superintendent in charge of the reservation on which the mining claim is located, and that application for a lease under this section may be filed with such superintendent for transmission through official channels to the Secretary of the Interior: *And provided further*, That lands containing springs, water holes, or other bodies of water needed or used by the Indians for watering live stock,

¹ Amended by act of Mar. 3, 1921 (41 S. 1231), defining the term metalliferous to include "magnesite, gypsum, limestone, and asbestos."

² Forfeits all rights under *that* location. Solicitor's opinion, July 7, 1922.

³ Statutory and can not be waived; failure to file such notice forfeits all preferential right to a lease. See solicitor's opinion, July 10, 1922.



irrigation, or water-power purposes shall not be designated by the Secretary, of the Interior as subject to entry under this section.

That leases under this section shall be for a period of twenty years, with the preferential right in the lessee to renew the same for successive periods of ten years upon such reasonable terms and conditions as may be prescribed by the Secretary of the Interior unless otherwise provided by law at the time of the expiration of such periods: *Provided*, That the lessee may, in the discretion of the Secretary of the Interior, be permitted at any time to make written relinquishment of all rights under such a lease and upon acceptance thereof be thereby relieved of all future obligations under said lease.

That in addition to areas of mineral land to be included in leases under this section the Secretary of the Interior, in his discretion, may grant to the lessee the right to use during the life of the lease, subject to the payment of an annual rental of not less than \$1 per acre, a tract of unoccupied land, not exceeding forty acres in area, for camp sites, milling, smelting, and refining works, and for other purposes connected with and necessary to the proper development and use of the deposits covered by the lease.

That the Secretary of the Interior, in his discretion, in making any lease under this section may reserve to the United States the right to lease for a term not exceeding that of the mineral lease the surface of the lands embraced within such lease under existing law or laws hereafter enacted, in so far as said surface is not necessary for use of the lessee in extracting and removing the deposits therein: *Provided*, That the said Secretary during the life of the lease is hereby authorized to issue such permits for easements herein provided to be reserved.

That any successor in interest or assignee of any lease granted under this section, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the conditions of the lease under which such rights are held and also subject to all the provisions and conditions of this section to the same extent as though such successor or assign were the original lessee hereunder.

That any lease granted under this section may be forfeited and canceled by appropriate proceedings in the United States district court for the district in which said property or some part thereof is situated whenever the lessee, after reasonable notice in writing, as prescribed in the lease, shall fail to comply with the terms of this section or with such conditions not inconsistent herewith as may be specifically recited in the lease.

That for the privilege of mining or extracting the mineral deposits in the ground covered by the lease the lessee shall pay to the United States, for the benefit of the Indians, a royalty which shall not be less than 5 per centum of the net value of the output of the minerals at the mine, due and payable at the end of each month succeeding that of the extraction of the minerals from the mine, and an annual rental, payable at the date of such lease and annually thereafter on the area covered by such lease, at the rate of not less than 25 cents per acre for the first calendar year thereafter; not less than 50 cents per acre for the second and third years, 75 cents per acre for the fourth and fifth years; and not less than \$1 per acre for each and every year thereafter during the continuance of the

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lease, except that such rental for any year shall be credited against the stipulated royalties as they accrue for that year.

That in addition to the royalties and rentals to be paid, the lessee shall expend annually not less than \$100 in development work for each mining claim located or leased in the same manner as an annual expenditure for labor or improvements is required to be made under the mining laws of the United States: *Provided*, That the lessee shall also agree to pay all damages occasioned by reason of his mining operations to the land or allotment of any Indian or to the crops or improvements thereon: *And provided further*, That no timber shall be cut upon the reservation by the lessee except for mining purposes and then only after first obtaining a permit from the superintendent of the reservation and upon payment of the fair value therefor.

That the Secretary of the Interior is hereby authorized to examine the books and accounts of lessees, and to require them to submit statements, representations, or reports, including information as to cost of mining, all of which statements, representations, or reports so required shall be upon oath, unless otherwise specified, and in such form and upon such blanks as the Secretary of the Interior may require; and any person making any false statement, representation, or report under oath shall be subject to punishment as for perjury.

That all moneys received from royalties and rentals under the provisions of this section shall be deposited in the Treasury of the United States to the credit of the Indians belonging and having tribal rights on the reservation where the leased land is located, which moneys shall be at all time subject to appropriation by Congress for their benefit, unless otherwise provided by treaty or agreement ratified by Congress: *Provided*, That such moneys shall be subject to the laws authorizing the pro rata distribution of Indian tribal funds.

That the Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations not inconsistent with this section as may be necessary and proper for the protection of the interests of the Indians and for the purpose of carrying the provisions of this section into full force and effect: *Provided*, That nothing in this section shall be construed or held to affect the right of the States or other local authority to exercise any rights which they may have to levy and collect taxes upon improvements, output of mines, or other rights, property, or assets of any lessee.

That mining locations, under the terms of this section, may be made on unallotted lands within Indian reservations by Indians who have heretofore or may hereafter be declared by the Secretary of the Interior to be competent to manage their own affairs; and the said Secretary is hereby authorized and empowered to lease such lands to such Indians in accordance with the provisions of this section: *Provided*, That the Secretary of the Interior be, and he is hereby, authorized to permit other Indians to make locations and obtain leases under the provisions of this section, under such rules and regulations as he may prescribe in regard to the working, developing, disposition, and selling of the products, and the disposition of the proceeds thereof of any such mine by such Indians.

To carry this provision of law into effect the following regulations are prescribed:

1. From time to time unallotted land on Indian reservations within the States named in the section above quoted will be declared subject to exploration. The land will be opened only after reports have been received from the superintendent or officer in charge as to the desirability of such action and what part, if any, should be reserved for the Indians. Anyone desiring to prospect on any particular reservation may obtain information from the officer in charge thereof as to what lands are subject to lease.

2. All persons prospecting on unallotted Indian land under these regulations, or who may acquire rights of occupancy thereunder, in the use of such lands, are bound to strictly comply with the United States laws prohibiting the introduction of intoxicants into Indian country and with the laws of the United States and the regulations of the Department of the Interior governing trade intercourse with the Indian tribes.

3. Should valuable metalliferous minerals be found, location of mining claims are to be made in the same manner as mining claims are located under the mining laws of the United States. Should the locator fail to file a duplicate copy of the location notice with the officer in charge of the land within 60 days or fail within one year thereafter to make application through the officer in charge to the Secretary of the Interior for a lease of the land he will thereby forfeit all preference right to a lease. Any locator who fails to comply with the United States mining laws and the regulations of the General Land Office prescribed thereunder as to the location of mining claims will also forfeit all preference right to a lease.

The General Land Office regulations provide that no lode claim can exceed a parallelogram 1,500 feet in length by 600 feet in width, but whether surface ground of that width can be taken depends upon the local regulations, or State or Territorial laws in force in the several mining districts; that no such local regulations or State or Territorial laws shall limit a vein or a lode claim to less than 1,500 feet along the course thereof, whether the location is made by one or more persons, nor can surface rights be limited to less than 50 feet in width; that all records of mining locations shall contain the name or names of the locators, the date of location, and such a description of the claim or claims located by reference to some natural object or permanent monument as will identify the claim; that no lode claim shall be located until after the discovery of a vein or lode within the limits of the claim; that the claimant prior to locating his claim, unless the vein can be traced upon the surface, shall sink a shaft or run a tunnel or drift to a sufficient depth therein to discover and develop a mineral bearing vein, lode, or crevice, and determine

the course of such vein in every direction from the point of discovery, by which direction he will be governed in marking the boundaries of his claim on the surface; that his location notice should give the course and distance as nearly as practicable from the discovery shaft on the claim to some permanent, well-known objects or points, as stone monuments, blazed trees, the confluence of streams, point of intersection of well-known gulches, ravines, or roads, etc., in the immediate vicinity; that the claimant shall state the names of adjoining claims or if none adjoining, the relative positions of the nearest claims; that he should drive a post or erect a monument of stone at each corner of the surface ground and at the point of discovery or discovery shaft should fix a post, stake, or board, upon which should be designated the name of the lode, the name or names of the locators, the number of feet claimed and in which direction from the point of discovery, it being essential that the location notice filed for record should state whether the entire claim of 1,500 feet is taken on one side of the point of discovery or whether it is partly upon one and partly upon the other; and if the latter, how many feet are claimed upon each side of the discovery point.

4. Lessees will have the right to mine only within the exterior boundaries of the leased lands and to lines drawn vertically downward therefrom. The provision of the general mining laws that the locator of a mining claim shall have the exclusive right to all veins, lodes, or ledges throughout their entire depth, the tip or apex of which lies inside the surface lines, extending downward vertically, does not apply to these leases, since the act limits the application of the general mining laws to the manner of the location of mining claims. Discovery of ore by prospect drilling or boring methods will be equivalent to discovery by shaft sinking.

5. Individual placer claims shall not exceed 20 acres for one person, 40 acres for two, and 160 acres for an association of eight or more persons. Locations upon surveyed land must be in conformity to the legal subdivisions of the survey. Locations upon unsurveyed land must be marked in the same manner as lode locations, but shall conform as nearly as practicable to what would be public-land surveys and the rectangular subdivisions thereof.

6. Before a lease will be granted covering a lode mining claim, or a placer claim on unsurveyed land, the locator at his expense must have the claim surveyed by a United States deputy mineral surveyor. The survey must be made in the form and manner required by regulations governing the survey of claims under the United States mining laws, application for such survey to be made to the United States surveyor general for the State wherein the claim is located: *Provided*, That where a number of contiguous claims are held in common the

survey may be made of the exterior boundaries of the group, and the entire group may be included in one lease. Two copies of the plat and two copies of the field notes must be filed by the locator with his lease.

7. Locators whose application for a lease has been approved will be allowed 30 days from the date of notification of approval within which to complete and file a lease with the officer in charge of the reservation, and the failure to complete and file a lease within that time will be cause for the forfeiture of the preference right to a lease in the discretion of the Secretary of the Interior.

8. Upon being notified of the acceptance of its application for a lease a corporation shall file a certified copy of articles of incorporation, and evidence showing compliance with local corporation laws if a foreign corporation: *Provided*, That if any such papers have already been filed a statement to that effect may be submitted.

Leases made by corporations shall be accompanied by an affidavit showing the authority of its officers to execute leases, bonds, and other papers.

9. Each lease shall be accompanied, at the time of filing, by the advance annual rental for the first year. No lease shall be forwarded by the officer in charge for favorable consideration unless the advance annual rental for the first year has been deposited with him.

10. Lessees shall furnish with each lease a bond, with two or more personal sureties, or with a surety company authorized to act as sole surety. Said bond shall be in amounts as follows: For less than 40 acres, \$500; for 40 and less than 80 acres, \$1,000; for 80 and less than 120 acres, \$1,500; for 120 and not more than 160 acres, \$2,000; or a lessee may file bond in the sum of \$15,000 covering all the leases to which he is or may become the lessee. The right is reserved to require a new bond in an increased amount in any case where the Secretary of the Interior deems it advisable.

11. Lessees may assign or transfer their leases or any part thereof with the consent and approval of the Secretary of the Interior. Lessees shall not permit any person to take possession of the leased premises, or any part thereof, except those rightfully entitled thereto pursuant to the terms of the lease.

12. Leases shall be irrevocable except for breach of the terms and conditions of the same and may be forfeited and canceled by appropriate proceedings in the United States district court for the district in which the land or some part thereof is situated. Lessees may, with the consent of the Secretary of the Interior, surrender their leases in whole or in part upon payment of a fee of \$1, provided all rentals, royalties, and other obligations due and accrued up to date of surrender have been paid and fulfilled. If a lease has been

recorded, the lessee shall execute a release, and record the same in the proper county recording office, and file the release with the officer in charge.

13. Each lessee will be required to pay a royalty on production computed on the net value of the output of the minerals at the mine, payable at the end of each month. The law provides that this royalty shall not be less than 5 per cent, but in view of the impossibility of fixing in advance by regulation the exact royalty to be imposed upon the different minerals found, varying in value and in conditions under which they are mined, the royalty governing each lease will be fixed and determined prior to the issuance of each lease and incorporated therein. The term used in the law, "net value of the output of the minerals at the mine," is construed to mean the amount received for the ores, concentrates, or bullion derived therefrom, less the cost of transportation and treatment necessary for the sale of said ores, concentrates, or bullion.

14. In addition to the royalty on production the lessee shall pay advance annual rental of 25 cents per acre for the first year, 50 cents per acre for the second and third years, 75 cents per acre for the fourth and fifth years, and \$1 per acre for each year thereafter during the life of the lease, the rental for any one year to be credited against the stipulated royalties accruing for that year. It will also be necessary for the lessee to expend annually in development work on or for each location the sum of not less than \$5 per acre, the total amount to be not less than \$100 for each location, which expenditures, if benefiting or developing a group of contiguous claims included in a lease, may be made upon any one or more of such claims.

15. Each lessee shall keep proper and true books of account of all his production, expenditures for what purpose expended, giving receipts in full. The books shall show the amount of ore mined, the cost of mining same, the amount of ore shipped, or other substances sold or treated, each month, and the amount of money received or receivable from the sale of ores, etc. The books of the lessee shall be open to inspection, examination, and verification by any officer of the Interior Department assigned to such duty by the Secretary of the Interior, and the duly authorized agents of the United States shall be permitted freely to make copies of all the accounts and other books of the lessee. All royalties due under the lease shall be paid to the officer in charge of the reservation in cash, or by certified check or other suitable form of exchange, and at time of payment each lessee must file with said officer a sworn statement showing the amount of ore mined during the preceding month, the amount of ore shipped or sold, and the amount received therefor. Lessee must also file with the officer in charge within 20 days after the reduction of the ores a duplicate of all mill and smelter returns and of the receipted bills

for freight or transportation charges when the sale of mineral is not made at the mine.

16. Lessees shall submit to the superintendent or officer in charge annual reports giving detailed costs of mining and milling or other treatment of the ore or mineral at the mine, necessary for sale, but not including smelter costs, accompanied by maps and diagrams drawn to scale, within 20 days after the close of each calendar year, showing the extent, character, and location of all development work and mining operations, such annual reports to be verified by the lessee or superintendent in charge of the work, and such other reports from time to time as the Secretary of the Interior in his discretion may require.

17. (a) In mining operations the lessee shall keep the mine timbered at all points where necessary in accordance with good mining practice and in such manner as may be necessary to the proper preservation of the property leased and the safety of the workmen. The lessee in prospecting and mining shall observe appropriate and good mining practice in sinking shafts and winzes; in driving drifts and tunnels, stoping, blasting, hoisting, ventilating, timbering, pumping, and other operations for the proper development and preservation of any mine, equipment, or property on the lease, and shall exercise diligent care in the prevention of unnecessary mineral waste and in promoting the safety and welfare of employees. For the safety of mine employees ample provision shall be made, appropriate to the number of employees exposed to the mining hazard, for adequate safety equipment in the hoisting and transportation of employees and in the use of explosives, protection from fire, the providing of ladderways for emergency escape, and whenever practicable make provision for two exits or means of escape from the lowest and farthest workings to the surface, and for the positive circuiting throughout the mine of ventilating currents.

(b) If it be necessary to use for mining developments any wood, stone, coal, or other material from unallotted and unleased lands on the Indian reservation, the lessee shall first obtain written permission from the officer in charge and shall pay him, for the Indians, the current prices for all materials taken.

18. On expiration or surrender of lease rendered the lessee shall deliver to the Government the leased premises with the mine workings in good order and condition, and bondsmen will be held for such delivery in good order and condition unless relieved for cause by the Secretary of the Interior. The machinery necessary to operate the mine is the property of the lessee, and may be removed by him only after the condition of the property has been ascertained by inspection by an authorized agent of the Secretary of the Interior.

19. Any duly authorized agent of the Secretary shall be permitted at all times during the life of the lease, freely and without notice, to enter upon and in all parts of the leased premises, and if desired take with him the local mine inspector and such mining experts as may be necessary for the purpose of inspection and examination thereof with a view of ascertaining whether or not the terms and conditions of the agreement are being faithfully complied with, and to know that the mine is operated in workmanlike manner, as required by the lease and in compliance with the law of the State or Territory in which the mine is located.

20. Any lessee desiring to use not to exceed 40 acres of unoccupied land for a camp site, milling, smelting, and refining works, or for other purposes connected with the proper development of the leased land should make application therefor to the officer in charge for the land desired. The application must be accompanied by affidavits from two or more persons familiar with the ground that it is non-mineral, unoccupied, and necessary for the purpose of properly developing the lease.

21. No prospector, locator, or mine owner shall keep stock of any kind on the lands leased except by permit at such rates as may from time to time be established.

22. The provisions of the foregoing regulations shall apply to any Indian who has heretofore or may hereafter be declared by the Secretary of the Interior to be competent to manage his own affairs. Should Indians who have not been declared competent to manage their own affairs desire to obtain a lease of land the officer in charge of the reservation where the land is located will report all the facts in connection therewith, whereupon suitable instructions will be given as to the manner of procedure.

23. On those reservations where unallotted Indian land may be leased for mining purposes under section 3 of the act of February 28, 1891 (26 S. 795), the provisions of section 26 of the act of June 30, 1919 (41 S. 31), and the regulations herein prescribed shall hereafter govern the leasing of such unallotted land so far as metalliferous minerals are concerned.

FORM OF MINING LEASE.

Mining Lease of Unallotted Lands on ----- Indian Reservation.

This lease, made and entered into in triplicate this ----- day of -----, 192--, by and between the Secretary of the Interior, party of the first part, lessor, by authority vested in him by section 26 of the act of Congress approved June 30, 1919 (41 S. 31), as amended March 3, 1921 (41 S. 1231), and -----, of -----, State of -----, party of the second part, lessee;

Witnesseth:

1. The lessor, for and in consideration of the royalties, covenants, stipulations, and conditions herein and hereby agreed to be paid, observed, and

performed by the lessee, doth demise, grant, lease, and let unto the lessee for the term of twenty years, with privilege of renewal for successive periods of ten years, upon such reasonable terms and conditions as may be prescribed by the lessor, unless otherwise provided by law at the time of the expiration of such periods, from the date of signing hereof by the lessor, for the purpose of mining all the deposits of _____ in or under the following-described lands, to wit:

_____ containing _____ acres more or less, the same being within said reservation, with the exclusive right to prospect for, mine, and extract the minerals above named and no others, and to occupy and use so much only of the surface of said land as may be reasonably necessary to carry on the work of prospecting for, mining, extracting, storing, and removing such minerals; also the right to obtain from wells or other sources on said land by means of pipe lines or otherwise a sufficient supply of water to carry on said operations and the right to pass over and across said reservation for the purpose of said work.

2. The lessee shall pay to the superintendent, or other officer in charge, for the use and benefit of the Indians of said reservation, annually in advance, a rental of 25 cents per acre for the first year beginning with the date of approval of lease, 50 cents per acre per annum for the second and third years, 75 cents per acre for the fourth and fifth years, and \$1 per acre for each succeeding year during the life of the lease, all such rental paid in any one year to be credited on the stipulated royalties accruing for that year, if production is made therein.

3. The lessee further agrees to pay royalty at the following rates upon the net value of all asbestos mined under this lease, namely, 10 per cent on number one crude fiber and 5 per cent on all other grades of crude or mill fiber. The net value of the fiber to be determined by deducting from the price obtained at point of delivery:

(a) Railroad freight charges from point of loading to point of delivery and actual cost of transportation of ore or fiber from the mine to the railroad. Claims for transportation charges will not be allowed in excess of \$1 per ton-mile for packing on animals, \$1 per ton-mile for transportation by airplane or airship, 50 cents per ton-mile for transportation by team or motor. For mechanical tramming or transportation, allowances will be made for actual operating cost to which may be added 15 per cent of investment to cover taxes, interest, insurances, repairs, depreciation, and amortization.

(b) For hand cobbing, allowances will be based on actual labor cost but not to exceed—

One hundred dollars per ton crude number one fiber, and

One hundred fifty dollars per ton crude number two fiber.

(c) Mechanical cobbing or milling will be based on the operating cost of milling plant to which will be added 15 per cent per annum of mill investment to cover taxes, interest, insurance, repairs, depreciation, and amortization, but in no case will such deduction be allowed in excess of the hand cobbing rate.

4. The lessee further agrees to pay a royalty on the production of ores and minerals under this lease other than asbestos a royalty of _____ per cent upon the net value of the output of the minerals at the mine which is to be

ascertained by deducting from the gross value of the ores, concentrates, or bullion the cost of transportation and treatment necessary for the sale of such ores, concentrates, or bullion.

5. The lessee agrees to file with the officer in charge of the reservation within 20 days after the end of the month within which the minerals were extracted, a sworn statement showing the amount of ore mined during the preceding month, the amount of ore shipped or sold, and the amount received therefor, together with an itemized statement of deductions, if any deductions are claimed. He also agrees to file with the officer in charge within 20 days after the reduction of the ores a duplicate of mill and smelter returns, and of receipted bill for freight or transportation charges when the sale of mineral is not made at the mine, and to pay all royalties under this lease monthly to the officer in charge of the reservation, or such officer or agent as may be designated by the Secretary of Interior, payments to be made in cash or by certified check or other suitable form of exchange. The royalties on all products mined under this lease shall be based on sworn reports and shall be paid within 10 days after the close of each month.

6. There shall be expended annually in development work on or for each location the sum of not less than \$5 per acre, the total amount to be not less than \$100 for each location, which expenditures, if benefiting or developing a group of contiguous claims included in a lease, may be made upon any one or more of such claims.

7. The lessee shall immediately upon notification of the signing of this lease by the lessor proceed to develop and work said mineral deposits, and during the entire term of this lease he shall prosecute such mining operations on said lands to the fullest practicable extent, the state of the market being considered; and his neglect or refusal to conduct actual mining operations for a period of six months at any one time (unless exempted by the lessor) shall operate as a forfeiture of all his rights under this lease, and subject it to cancellation by an appropriate proceeding in the United States district court for the district in which the land or a part of it is situated. Within 20 days after the close of each calendar year he shall file with the officer in charge his verified annual report showing the character and value of the development work performed and the gross output of his mining operations for that year, and within 20 days after demand by the lessor he shall file with the officer in charge of the reservation a sworn report, giving such information relative to his mining operations as may be demanded.

8. The lessee shall at all times conduct operations in a workmanlike manner protect all mines and deposits, and not commit nor suffer any waste upon the reservation; and if it be necessary to use any wood, stone, or other material thereon, he shall first obtain written permission from the officer in charge and shall pay to him for the Indians the current prices for all such material taken. He shall take good care of the land herein described, and not permit any nuisance to be maintained nor any intoxicating liquors to be sold or given away thereon for use as a beverage; he shall not use or permit the use of said lands and premises for any other purpose than as herein authorized, and at the expiration of this lease he shall return the same to the owners in good condition.

9. The lessee shall keep an accurate account of said operations, showing the whole amount of mineral mined or extracted and all mineral shipped, smelted, used, or disposed of, the cost of such operations, and the net value of the out-

put of the minerals at the mine; and the officer in charge and other proper representatives of the Department shall have the right at all times during the existence of this lease, and for six months thereafter, to make such reasonable examination of the papers and books of account of the said lessee, and of the mines, as may be necessary to obtain all information desired; and there is hereby created a lien on all implements, tools, movable machinery, and other personal chattels belonging to the lessee used in the said mining operations, and upon all minerals obtained from the land herein leased, as security for the monthly payment of said royalty.

10. The lessee in selecting employees shall give preference so far as practicable to Indians of the reservation who may be able and willing to perform the kind of work required; and he shall not retain in his employ any person objectionable to the officer in charge of the Indians. With each annual report he shall furnish the names and addresses of his employees.

11. The lessee shall not interfere with any personal or property rights or legitimate industry or occupation of the Indians without first obtaining consent in writing and paying proper compensation, approved by the officer in charge; nor obstruct any road or trail now in use, without permission of the officer in charge; and all rights and rights of way over and through the lands leased for tunnels, power lines, tramways, trails, canals, roads, and for other purposes that may be necessary, for use not inconsistent with the mining operations herein provided for, are reserved; and all rights to make and accept allotments within the boundaries of this lease of any lands deemed suitable for agriculture are hereby reserved.

12. The lessee shall not, without the consent of the lessor, transfer or assign any part of the lands leased. He may, however, surrender the lease for cancellation with the consent of the lessor, but the lessee or assignee should surrender his copy of the lease to the officer in charge, and all royalties, rentals and payments due to date of application for cancellation, in addition to a cancellation fee of one dollar, must be paid before such lease will be cancelled, provided that if the lease has been recorded the lessee or assignee shall execute a release, record the same in the proper recording office, and file the release with the officer in charge. An application for cancellation will become effective on the date such application is filed in the office of the officer in charge, provided the foregoing requirements have been fully observed. On abandonment of the lease, the lessee or lessees shall forfeit all claims or right to ore stoped, broken, and stored in the mine or placed upon the dump or in bins on the surface.

13. In the event of failure or neglect of the lessee to perform any obligations under this lease, the lessor shall have the right at any time to cancel this lease by an appropriate proceeding in the United States district court for the district in which the land or a part thereof is situated, unless within thirty days after notice specifying the terms and conditions violated the lessee shall correct such failure and make good any loss caused thereby.

14. This lease is made and accepted subject to existing law and any laws hereafter enacted as to said reservation; also to the regulations relative to such leases heretofore or hereafter prescribed by the lessor, and in no event shall the United States or the lessor be liable in damages or otherwise under the provisions hereof.

The obligations and agreements hereinbefore expressed shall extend to and be binding upon the successors in interest of the parties hereto.

15. Before this lease shall be in effect the lessee shall furnish a satisfactory bond with two or more personal sureties or with an acceptable company authorized to act as sole surety.

16. No prospector, locator, or mine owner shall keep stock of any kind on the lands except by permit at such rates as may from time to time be established.

17. It is expressly understood and agreed that there is reserved to the United States the right to lease under existing law or laws hereafter enacted so much of the surface of the lands covered by the lease as is not actually used or necessary for mining purposes.

Signed and sealed this _____ day of _____, 19__

[SEAL.]

Secretary of the Interior.

[SEAL.]

Lessee.

Witnesses:

BOND.

Know all men by these presents that _____, of _____, as principal, and _____, as suret__, are held and firmly bound unto the United States of America in the sum of fifteen thousand (\$15,000) dollars, lawful money of the United States, for the payment of which well and truly to be made, we bind ourselves and each of us, our and each of our heirs, successors, executors, administrators, or assigns, jointly and severally, firmly by these presents.

Sealed with our seals and dated this _____ day of _____, 19__

The condition of this obligation is such that whereas the above-bounden _____, as principal__, ha__ heretofore or may hereafter enter into mining leases covering unallotted Indian land on the _____ Reservation, in the State of _____, of various dates and periods of duration, covering the lands described in such leases, which leases have been or may hereafter be signed by the Secretary of the Interior, and the identification of which herein is expressly waived by both the principal__ and suret__ hereto.

Now, if the above-bounden _____ shall faithfully carry out and observe all the obligations assumed in said indentures of lease to which _____ is now or may hereafter become a party, and shall observe all the laws of the United States and regulations made or which shall be made thereunder for the government of trade and intercourse with Indian tribes and all regulations that have been or shall hereafter be lawfully prescribed by the Secretary of the Interior relative to mining leases covering unallotted Indian land on the _____ Reservation and the development thereof, and shall in all particulars comply with the provisions of said leases

and such regulations, then this obligation shall be null and void; otherwise to remain in full force and effect.

Signed and sealed in the presence of—

Witnesses:

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DEPARTMENT OF THE INTERIOR,
Washington, D. C., -----

Approved.

Assistant Secretary of the Interior.

[To accompany mining leases covering unallotted Indian lands.]

BOND.

Know all men by these presents, that -----, of -----, as principal, and -----, of -----, as suret, are held firmly bound unto the United States of America in the sum of ----- dollars, lawful money of the United States of America, for the payment of which well and truly to be made we bind ourselves, and each of us, our and each of our heirs, executors, administrators, successors, or assigns, jointly and severally, firmly by these presents.

Sealed with our seals and dated this ----- day of -----, 19--

The condition of this obligation is such that whereas the above-bounden -----, as principal, entered into a certain indenture of lease, dated -----, with ----- for the lease of a tract of land described as follows: -----

----- and located in the ----- Reservation, in the State of ----- for ----- mining purposes for the period of ----- years from the date of approval thereof.

Now, if the above-bounden ----- shall faithfully carry out and observe all the obligations assumed in said indenture of lease by -----, and shall observe all the laws of the United States, and regulations made, or which shall be made thereunder, for the government of trade and intercourse with Indian tribes, and all the rules and regulations that have been or may be

lawfully prescribed by the Secretary of the Interior relative to leases executed to cover unallotted Indian land on the _____ Reservation, then this obligation shall be null and void; otherwise to remain in full force and effect.

Signed and sealed in the presence of—

Witnesses:

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| ----- Post office.----- ----- | | | |

(Two witnesses to each signature.)

DEPARTMENT OF THE INTERIOR,

Washington, D. C.-----

Approved.

Assistant Secretary of the Interior.

FORM OF PERMIT FOR CAMP SITES, MILLING, SMELTING, AND REFINING WORKS.

Department of the Interior, United States Indian Service.

-----Reservation.

By authority of the Interior Department permission is hereby granted to -----, lessee of mining lease No. -----, on the ----- Reservation, to use the following described tract of unoccupied land on the said reservation: ----- The land covered by this permit is to be used for camp sites, milling, smelting, and refining works, and for other purposes connected with and necessary to the proper development and use of the deposits covered by mining lease No. -----, all rights hereunder to cease and terminate upon the termination of the aforesaid mining lease.

In consideration of the above privilege the permittee agrees to pay on the date of the execution of this permit and annually in advance thereafter to

the officer in charge of the said reservation for the use and benefit of the Indians the sum of \$_____ (Not less than \$1 per acre.)

It is understood and agreed by the permittee that this instrument is not a lease, but a mere permit, and on failure of the permittee to fulfill its terms or to comply with the rules and regulations of the Secretary of the Interior relative thereto, this permit may be revoked by the Secretary of the Interior and all rights thereunder will then terminate.

I agree to the foregoing conditions and stipulations.

Permittee.

The above permit is hereby approved:

Secretary.

EVIDENCE OF AUTHORITY OF OFFICERS TO EXECUTE PAPERS.

[To be sworn to by secretary or president of a corporation and sealed with its seal.]

I solemnly swear that _____ and _____ were on the _____ day of _____, 19____, the duly elected, qualified, and acting president and secretary, respectively, of _____, a corporation organized under the laws of _____, on which day they executed _____ mining lease for and in behalf of said corporation as lessee, covering certain unallotted Indian lands of the _____ Reservation; that they were fully empowered to execute said lease and all papers in connection therewith; and that their action in executing the same binds the said corporation to full performance of all obligations thereunder.

(Signed) _____,

(Title.)

This _____ day of _____, 19____.

(Corporate seal.)

Subscribed and sworn to before me this _____ day of _____, 19____.

[SEAL.] _____ (Signed) _____,

(Title.)

Note and carefully follow instructions and explanations on reverse.

Report No. _____
(Not to be filled in by lessee.)

LESSEE'S MONTHLY REPORT OF MINING OPERATIONS.

Reservation, State of _____
Lease (or leases) No. _____
Month ending _____ Description _____
_____, Lessee.

(This report is to be made for each individual lease, except that where a number of contiguous leases are operated by the same lessee, the combined results may be stated in a single report.)

I, _____, being duly sworn according to law, depose and say that I am the lessee (or duly authorized agent of the lessee) above named; that I am familiar with all the mining operations under the lease hereinafter

mentioned, and that I know of my own personal knowledge that the following statement is correct:

REPORT ON ORE, CONCENTRATES, OR BULLION PRODUCED DURING MONTH.

1. Total ore produced _____ tons _____
2. Total ore or concentrates shipped _____ tons _____
(Same as 8.)
3. Total bullion shipped _____ \$ _____
4. To whom shipped _____
5. Freight charges, railroad _____ \$ _____
6. Transportation and handling charges on ore,
concentrates, or bullion shipped, other than
railroad _____ \$ _____
7. Total deductions _____ \$ _____
8. Gross smelter returns _____ \$ _____
9. Net value of 2 or 3 _____ \$ _____
10. Royalty paid at _____ per cent _____ \$ _____
11. On hand or in transit (estimated) _____
Ores or concentrates _____ tons _____
Ores or concentrates, value _____ \$ _____
Bullion, value _____ \$ _____
12. Number of shifts worked _____
13. Number of operating days _____

OPERATING COSTS FOR MONTHS.

Operating costs include the costs of producing and milling ore at the mine, but shall not include prospecting, buildings, machinery, foundations, and other capital expenditures, nor transportation and railroad charges for disposal of the product.

Total cost of—

| | | | |
|------------------------|----------|-------|----------|
| Mining and development | Labor | _____ | \$ _____ |
| | Supplies | _____ | _____ |
| | Power | _____ | _____ |
| | General | _____ | _____ |
| Milling | Labor | _____ | _____ |
| | Supplies | _____ | _____ |
| | Power | _____ | _____ |
| | General | _____ | _____ |
| Total | | _____ | _____ |

(Name of lessee.)

(Signature of person sworn.)

(Capacity in which he is sworn.)

Subscribed and sworn to before me this _____ day of _____, 192__.

Notary Public.

My commission expires _____, 192__.

LESSEE'S ANNUAL REPORT OF MINING OPERATIONS.

Reservation, State of _____

_____, Lessee. Year ended _____

I, _____, being duly sworn according to law, deposes and says that I am the lessee (or the duly authorized agent of the lessee) above named; that I am familiar with all the mining operations under the lease hereinafter mentioned; and that I know of my own personal knowledge that the following statement is correct:

| Lease No. | Description. | Total on hand at beginning of year. | Total mined. | Total shipped. | On hand. | Freight charges. | Transportation and handling charges other than railroad. | Gross smelter returns. ¹ | Royalty paid. ² | To whom ore sold. |
|-----------|--------------|-------------------------------------|--------------|----------------|----------|------------------|--|-------------------------------------|----------------------------|-------------------|
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¹ Should agree with total shown by remittance for year.

² Should show all royalty paid during year and should total same as balance royalty in remittance reports for year.

| Mining lease No. | Level. | Dimensions. | Labor. | Value. | Comment. |
|--------------------------------|--------|-------------|--------|--------|----------|
| Shaft sinking..... | | | | | |
| Station cutting..... | | | | | |
| Drifting..... | | | | | |
| Crosscutting..... | | | | | |
| Winzing..... | | | | | |
| Raising..... | | | | | |
| Chutes..... | | | | | |
| Manways..... | | | | | |
| Pumps..... | | | | | |
| Air-lines..... | | | | | |
| Water-lines..... | | | | | |
| Track..... | | | | | |
| Powder magazines..... | | | | | |
| Bulkheading (not in ore)..... | | | | | |
| Bulkheading (in ore)..... | | | | | |
| Gob filling ¹ | | | | | |
| Miscellaneous..... | | | | | |

¹ Gob filling is necessary to hold ore bodies of size; must be done where necessary, but is not considered development.

(Name of lessee.)

(Signature of person sworn.)

(Capacity in which he is sworn.)

Subscribed and sworn to before me this _____ day of _____, 19__.

Notary Public.

My commission expires _____, 19__.

INSTRUCTIONS AND EXPLANATIONS.

1. A separate report must be submitted for each lease.
2. The report must be in the hands of the superintendent or other officer in charge within 20 days after December 31 of each year the lease is in effect.
3. The report must be submitted for every year during the life of the lease, regardless of whether or not mining operations are being carried on.
4. "On hand" should show the total tonnage unpaid for at the date of the report, including that remaining in the smelter, on the way to the smelter, and in the bins.
5. "Total shipped" should show separately each shipment made during the year on which separate payments of royalty were made, and separate royalties should be shown in "Royalty paid" column. All royalty should be paid promptly.
6. Any classification not included in this form may be added. If added on separate sheet, separate sheet must be made a part of this report and attached to same. Separate letters will not be considered part of the report.
7. The report must show all development work done during the period for which rendered, as reports may be compared with your workings at any time between reports.
8. Show clearly the dimensions of the workings, together with starting and ending points. Make these brief but accurate. Submit plats where practical. Include all permanent surface workings as development.

The foregoing regulations and forms are hereby approved.

HUBERT WORK,
Secretary of the Interior.

